

11th March, 1922

THE
LEGISLATIVE ASSEMBLY DEBATES
(Official Report)

SECOND SESSION

OF THE

LEGISLATIVE ASSEMBLY, 1922



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LEGISLATIVE ASSEMBLY.

Saturday, 11th March, 1922.

The Assembly met in the Assembly Chamber at Eleven of the Clock.
Mr. President was in the Chair.

STATEMENT LAID ON THE TABLE.

Colonel Sir Sydney Crookshank (P. W. D. Secretary) : I beg to lay on the table the information promised in reply to a question by Sir Deva Prasad Sarvadhikary, on the 24th January, 1922, regarding the amount spent on, and allowed for, conveyance and travelling allowance of Government servants, and others, from Delhi to Raisina and back.

Statement showing the amount spent on, and allowed for, conveyance allowance of Government servants, and Members of the Indian Legislature, for going from Delhi to Raisina and back.

(a) AMOUNT SPENT ON CONVEYANCE ALLOWANCE.

	1917-18.	1918-19.	1919-20.	1920-21.	REMARKS.
	Rs. A. P.	Rs.	Rs. A. P.	Rs. A. P.	
Government Servants	2,254 9 9		3,808 1 11	27,963 12 11	Increase in 1920-21 is due to a larger number of men being located in Raisina and to the enhanced rate of conveyance allowance paid to gazetted officers.
Members of the Council of State.				2,798 8 0	
Members of Legislative Assembly.			...	20,880 0 0	
Total	2,254 9 9	...	3,808 1 11	51,642 4 11	

(b) AMOUNT ALLOWED FOR CONVEYANCE ALLOWANCE.

Government servants who reside at Raisina were allowed conveyance allowance as under :

- (a) Officers drawing pay of Rs. 500 and up to Rs. 3,199 . Rs. 60 per mensem in 1919-20.
Officers drawing pay of Rs. 500 and above . . . Rs. 100 " " in 1920-21.
- (b) Indian clerks accommodated at New Delhi in 1917-18. Rs. 15 " " in 1917-18.
- (c) All officers drawing below Rs. 500 per mensem who make their own arrangements . . . Rs. 18 " " in 1920-21.

Members of the Indian Legislature who reside at Raisina are allowed conveyance allowances as follows :

- (a) Those who do not bring any conveyance for their use. Rs. 5 per day during the period of residence.
- (b) Those whose motor car accompanies them . . . Rs. 75 per mensem.

NOTE.—No travelling allowances are paid between Delhi and Raisina.

QUESTIONS AND ANSWERS.

PROPOSED MEMORIAL TO PRINCESS ZABUN NISA BEGAM.

259. * **Mr. K. Ahmed :** (a) With reference to the reply given by Mr. H. Sharp to Question No. 639 on the 26th September last, will the Government be pleased to state how far the proposed memorial of the Princess Zabun Nisa Begam has been undertaken and whether any portion of the work is being done yet ?

Mr. H. Sharp : Government hopes to undertake the work during the next financial year, but cannot give a definite promise until the Budget and programme of work are settled.

Mr. K. Ahmed : May I ask what is the area of the land that belonged to the deceased adjoining the proposed memorial that is to be built ?

Mr. H. Sharp : I should have notice of that question.

POSITION AND PAY OF DUFTRIES.

260. * **Maulvi Miyan Asjadullah :** Will the Government be pleased to state what orders have been passed on the memorial, dated the 27th September, 1921, of the Duftries submitted to the Government of India in respect of (i) their increment of pay, (ii) their services to be declared as superior.

The Honourable Sir William Vincent : Orders have not yet been passed on this particular memorial of the 27th September, 1921, but an earlier memorial of the same year, dated the 11th February, 1921, has been dealt with, in which the request that their service should count as superior was rejected. The pay of Duftries was revised in June 1920 and better pension terms were given them in July 1921. Thus, the questions raised in the memorial under reference have been very recently dealt with but they are under further re-examination on the present memorial and orders will shortly issue.

Mr. Abul Kasem : With reference to this question, is it not a fact that the Committee presided over by Sir Malcolm Hailey recommended that the record sorters should be regarded as superior servants ?

The Honourable Sir William Vincent : I believe the Committee recommended that record sorters should be divided into two classes ; but, if the Honourable Member wishes for more accurate information, I am afraid I must ask for notice of the question.

ACTION ON TEMPERANCE RESOLUTION.

261. * **Beohar Raghubir Sinha :** In view of my Resolution as amended by the Government Member and passed by the Legislative Assembly during the Simla Session, expressing sympathy with the temperance movement in India, will the Government be pleased to state what practical steps the Government of India or the Local Governments have since taken or are contemplating to take in order to give effect to the declared policy of the Government ?

The Honourable Mr. C. A. Innes : It was clearly pointed out, in the debate on the Honourable Member's Resolution, that Excise is a provincial

subject and is, further, a transferred subject in all Governors' Provinces except Assam. Any inquiries as to practical steps taken to encourage temperance should therefore be made in the Provincial Legislatures concerned.

FOREIGN CLOTH SURREPTITIOUSLY LABELLED INDIAN-MADE CLOTH.

262. * **Beohar Raghubir Sinha** : (a) Are the Government aware that some foreign cloth is imported in India surreptitiously labelled as Indian made cloth ?

(b) Will the Government be pleased to take immediately such severe steps as would prevent the fraud and save Indians from being cheated by foreign traders ?

The Honourable Mr. C. A. Innes : (a) and (b). Government have been watching this matter. As far as they are aware, there is no reason to suppose that foreign cloth falsely labelled as Indian-made cloth is being imported into the country. An offence of this kind would be easy to detect and would be liable to severe penalties under section 167 of the Sea Customs Act. If there is fraud at all in this matter, it probably takes the form of cloth being imported without any marks or indication of origin at all, such cloth being subsequently marked with labels purporting to indicate Indian handloom origin. The possibility of fraud of this kind was brought to the notice of the Bombay Government. Inquiries were made and they indicated that, whatever might have been the case some months previously, the danger of fraud of this kind had ceased to be serious in December last.

BASIS OF LASTING PEACE IN INDIA.

263. * **Beohar Raghubir Sinha** : (a) Has the attention of the Government been drawn to the Resolution passed by the Joint Council of the Labour Party and the Trade Union Congress in London, urging the Indian Democrats and the Indian Government to join in a Conference of all shades of political thought to explore the possibilities of peace based on :

- (i) amnesty,
- (ii) abandonment of non-co-operation,
- (iii) a time limit of transitional stages,
- (iv) partial Self-Government,
- (v) fresh elections at least of the Legislative Assembly ?

(b) Will the Government inform this House if they are going to act up to the suggestion on the basis of all or any of the points mentioned above ?

The Honourable Sir William Vincent : (a) Government have seen references to this Resolution in one or two Indian newspapers.

(b) The attitude of Government towards the question of a Conference of all shades of political opinion has been stated in public on more than one occasion, e.g., by His Excellency the Viceroy in his speech at Calcutta on December 21st last.

UNSTARRED QUESTION AND ANSWER.

ALLOWANCES TO OFFICIAL MEMBERS OF THE INDIAN LEGISLATURE.

288. Babu Ambica Prasad Sinha : What allowances, if any, are given to officials at Simla, who are Members of the Indian Legislature over and above the allowance given to non-official Members, and, if so, on what grounds ?

The Honourable Dr. T. B. Sapru : Official Members of the Indian Legislature who are required to leave their official Headquarters to attend meetings of the Legislature at Simla are given the same allowances as non-official Members. Those official Members whose Headquarters are at Simla are given no allowances whatever.

THE RESIGNATION OF MR. MONTAGU.

Dr. H. S. Gour (Nagpur Division : Non-Muhammadan) : Sir, before we proceed with the ordinary business of the day, I crave your indulgence to refer to a matter which has sent a thrill of great grief throughout the country, namely, the reported resignation of Mr. Montagu, the Secretary of State for India. Judging from the newspaper reports to hand, Mr. Montagu had to tender his resignation for publishing a telegram, or authorizing the publication of a telegram, from the Government of India to the Secretary of State. The contents of that telegram are well known. Whatever may be the cause of the resignation of the Right Honourable Mr. Montagu, we, the Members of this House, feel that in Mr. Montagu, we had a staunch supporter of the Reforms, and indeed the author of the Reforms Scheme which culminated in the new Government of India Act. By his resignation the whole country has lost a staunch supporter of the Reforms and a true friend of India. (Hear, hear.) We desire here to express our deep regret that the occasion should have arisen for his resignation at this critical political juncture. His was a name to conjure with and we have felt that, so long as he was at the head of affairs, the success of the Reforms Scheme of this country was secured. Now that he is no longer the Secretary of State for India, we shall be wanting in our duty as Members of this Assembly and as representatives of the people of India if we did not take the earliest opportunity to record our appreciation of his unique services to the cause of Indian Reforms and to thank him for all that he has done for the advancement of the national aspirations of the people of this country. We feel, Sir, that, though Mr. Montagu has ceased to be the Secretary of State for India, he will continue to be the friend of India that he has been in the past and that his invaluable assistance and advice will always be available to the Members of this House and to the people of India.

Munshi Iswar Saran (Cities of the United Provinces : Non-Muhammadan Urban) : Sir, it is difficult to say what is really the cause of the resignation of Mr. Montagu. If it is the issue or the publication of that communiqué in connection with the Khilafat question

Mr. President : I cannot allow the Honourable Member to bring in the merits of the question in that way. I permitted Dr. Gour to say a few words on the subject ; but a motion would be out of order because it would anticipate a motion of which notice has been given of the intention to move the

adjournment of the House on Tuesday in order to discuss this as a definite matter of urgent public importance. I think, therefore, it will be better to leave this question until we reach that motion on Tuesday.

Sir Deva Prasad Sarvadhikary (Calcutta : Non-Muhammadan Urban) : In the meantime, Sir, we wish to associate ourselves with every word of regret and appreciation that has been uttered and to express a hope that means will be found for the withdrawal of the resignation.

ELECTION OF COMMITTEE ON PUBLIC ACCOUNTS.

The Honourable Sir Malcolm Hailey (Finance Member : I beg to move :

‘That this Assembly do proceed to elect 8 Members to be Members of the Committee on Public Accounts.’

This motion, Sir, complies with the Statutory requirements. As I explained to the House last year, there would be some difficulty in the Committee on Public Accounts discharging its functions during the current year, as it has to deal with the appropriation report of the Auditor-General and that is received, of course, only after the close of the financial year. There will be no such difficulty in the coming year. Much as I regret, therefore, that the Public Accounts Committee has been unable to function fully or indeed at all during the present year, yet there is no reason why it should not perform all the functions assigned to it by the Act during the coming year.

The motion was adopted.

Mr. President : The office will be open to receive nominations for membership to this Committee up to 4 p.m. on the 14th of this month and the procedure for the election of the Committee will be that laid down by the Chair last year.

ELECTION OF STANDING FINANCE COMMITTEE.

The Honourable Sir Malcolm Hailey (Finance Member) : I beg to move :

‘That this Assembly do proceed to the election, in such method as may be approved by the Honourable the President, of a Standing Finance Committee of the Assembly not exceeding fourteen in number to which shall be added one Member of the Assembly to be nominated by the Governor General. The Member so nominated shall be Chairman of the Committee.’

Sir, this has reproduced a motion which I made on the 22nd of February last year. I do not think I need repeat to the House here the obligations which I have already expressed on its behalf to the Members of the existing Standing Finance Committee; the obligations are great and I recognize them fully and sincerely. I notice, Sir, that there has been a desire on the part of certain Members of this House that the terms of the appointment of the Committee (which have been left vague in my motion) should be somewhat more strictly defined. I should be glad to meet the desire of the House in this respect; I should be prepared indeed to see the functions of the Committee somewhat extended beyond the tentative scope which we assigned to them last year. But I wish to make certain observations in this connection.

[Sir Malcolm Hailey.]

The Standing Finance Committee was primarily intended by us—and I think we were right in that intention—as an advisory committee to the House to deal with those items of expenditure which would come under its vote. Now, Sir, if the functions of the Standing Finance Committee are to be extended beyond that sphere, difficulties will at once arise. In the first place, it would be impossible for Government to submit to the Standing Finance Committee items connected with military expenditure, because that would involve questions relating to the strength of combatant troops and their attendant services, matters in which the Executive Government must retain its authority and control. Further, it is clear that it would not be feasible to so extend the functions of the Committee as to submit to it items of political expenditure such as those relating to Frontier policy. That, again, is a question which must remain within the control of the Executive Government. Then, again, it would be impossible to refer to it items of expenditure which may affect our relations with Foreign Powers or Indian States within India itself. Again, there are certain items of expenditure over which the Secretary of State under section 96 of the Act retains his own control. Once again, there are certain items of expenditure on which it would be difficult to consult any Committee; let me take as an instance an item that will come before the House later on in the morning, namely, the purchase of opium. Now that has to be concluded as a result of confidential negotiations, and the mere suggestion that we were in the market to purchase opium in large quantities would affect the price greatly as against Government. Finally, there are, of course certain items of expenditure of an emergency nature. Here, the Governor General has powers of his own under section 67A (8) of the Act, and those powers could not be curtailed or invaded. Consequently, it will be clear that it would be impossible to assign to the Standing Finance Committee a sphere of operations much more wide than that which I commenced by indicating, and I repeat that the proper sphere of operations for the Committee is that it should advise the House on those items of votable expenditure on which the House has subsequently to pass its vote during the demands for grants. I should be quite prepared in defining the terms of appointment of the Committee to agree that all new votable items of expenditure should be submitted to it save such as must be urgently sanctioned, and that such non-votable items of expenditure should be submitted to it as Government may so decide. There would, of course, be no objection to submitting to it—indeed we have already done so—all questions regarding allotments out of lump grants, and I should further have no objection to extending the definition of its functions to include the suggesting of retrenchment and economy in expenditure.

With regard to the position which it might be sought to give it as general adviser to the Finance Department, I must emphasize the fact—and I think that the House will agree that I am not standing out too strictly for our constitutional position in this respect—that there are many matters in which the Executive Government must, under the constitution, keep its definite control. I should be perfectly willing so to extend the functions of the Standing Finance Committee as to give it the position of an adviser to the Department on all such questions as the Department may refer to it. We shall therefore retain the initiation in this respect, and the responsibility for selecting cases to be laid before it will rest with us. If we go beyond that I think we should be invading the position, which we are bound to maintain under the constitution as it now stands. But if those extensions of the sphere of

operations of the Committee will satisfy my Honourable friends now, I shall be prepared to put them to the House as an adjunct to my own motion.

Mr. S. C. Shahani (Sind Jagirdars and Zamindars : Landholders) : Sir, I regret that Mr. Rangachariar, who originally gave notice of the amendment which I am about to move should have been unavoidably absent. I have taken charge of this amendment now. My own idea is not to encroach upon the rights and privileges of Government. I do not seek that any non-votable item should be submitted to the Standing Finance Committee for scrutiny. The object of my amendment is two-fold. Firstly, that the Finance Committee should be permitted to make allotments out of lump sum grants, and, secondly, that it should be allowed to propose retrenchments. If these two functions are conceded by the Honourable the Finance Minister, I should be quite satisfied. I have got to thank the Honourable the Finance Minister for having rightly decided to let this institution of a Standing Finance Committee come into being. I know that this institution does not exist in pursuance of any rule framed under the Government of India Act. I am merely proposing that the functions of the Standing Finance Committee be defined. If the definition is added to the motion proposed by the Honourable the Finance Minister, I should be, as I have said, quite satisfied.

Mr. President : Does the Honourable Member move his amendment ?

Mr. S. C. Shahani : I therefore move my amendment :

‘ That the following be added to the motion of the Honourable the Finance Minister :

‘ The functions of the Committee will be, (a) to scrutinise all proposals for future expenditure in all Departments of the Government of India ; (b) to sanction allotments out of lump sum grants ; (c) to suggest retrenchments and economy in expenditure, and (d) generally to assist the Finance Department of the Government of India ’.

Mr. N. M. Joshi (Nominated : Labour Interests) : Sir, on this question I should like to make one or two remarks.

My first remark is that the members of the Committee feel one or two great difficulties on account of Government placing before the Committee only votable items and not the non-votable items at all. I do not wish to say that no non-votable items were placed before the Standing Finance Committee. The Honourable the Finance Member was kind enough to place some non-votable items before the Committee ; but there are many items over which the Standing Finance Committee has no control. For instance, the Secretary of State creates a post ; the holder of the post comes out to India. The Government of India must give him an establishment. Then the Government of India go to the Standing Finance Committee and ask for the establishment. The Standing Finance Committee does not approve of the appointment at all ; they think that this appointment is a waste, but, when the Government of India come before the Committee for the establishment, if the Committee does not sanction any establishment, the holder of the new appointment will have no work at all and will be idle. Therefore, the Committee has to sanction the establishment.

Then, there is another difficulty, and that difficulty is this. If it is found that the Standing Finance Committee will not easily sanction additional establishments, the easiest course for any Department is to approach the Secretary of State and get a non-votable post sanctioned by him, so that the control of the Standing Finance Committee is gone. I think this is a method of getting over the difficulty of the Standing Finance Committee.

The Honourable Sir Malcolm Hailey : Can you quote a case ?

The Honourable Sir William Vincent (Home Member) : Has it ever been done ?

Mr. N. M. Joshi : I am not talking of whether it has been done or not ; I was only asking whether it is possible or not.

The Honourable Sir William Vincent : The Honourable Member said ' this is a method of getting over the difficulty of the Standing Finance Committee '.

Mr. N. M. Joshi : Unfortunately, I did not examine the non-votable items at all and I cannot give a case, but I think this is quite possible, and it is not very difficult to understand some Departments taking advantage of this fact and approaching the Secretary of State for the creation of a high post, so that the Standing Finance Committee need not come in the way at all. It is possible ; the possibility is there.

These are the two points which really curtail the power of the Standing Finance Committee, and, therefore, the Government of India should have no hesitation in placing at least the new non-votable posts before the Standing Finance Committee before they are sanctioned. That is my very moderate proposal. We do not want any control over those posts that already exist—we may work in their case by other means—but if this Standing Finance Committee is to be useful, the Government of India should not create any new non-votable posts until they are approved of by the Standing Finance Committee.

Then, Sir, there is another item which I wish to mention. As a Member of the Standing Finance Committee, during the course of last year, I did not see any cases brought before the Standing Committee from the Railway Board. When the Railway Board is managing such a big Department, I think there may be some cases belonging to that Department which might be brought before the Standing Finance Committee. The Honourable the Finance Member must have a very good explanation of that ; I hope he will give it to us.

These are the remarks which I want to make as regards the Standing Finance Committee.

Sir Deva Prasad Sarvadhikary (Calcutta : Non-Muhammadan Urban) : I am in some difficulty ; I understood the Honourable the Mover of the amendment to say that he accepted the position laid down by the Honourable Sir Malcolm Hailey and yet he proceeds to move the amendment in its entirety. I do not know whether it is intended that a further amendment should be moved to that amendment by way of providing the acceptance of what the Honourable the Finance Member is prepared to concede.

Then, Sir, with regard to suggestions for retrenchment and economy in expenditure, which is to be one of the functions of the Finance Committee, we had a statement by the Honourable Sir Malcolm Hailey the other day that Government is prepared to accept the recommendation of this Assembly that a special Retrenchment Committee should be appointed and an announcement may shortly be expected. If that Committee comes, that Committee and the Finance Committee, with added functions such as are now indicated, are likely to have overlapping duties. What is proposed with regard to that ? Retrenchment to be really effective can be dealt with by one good Committee, and, if it

is to be delegated to two Committees which will have concurrent jurisdiction, certainly with regard to certain matters at all events there will be real practical difficulty in the way. The position of both the Committees are likely to be weakened if either has indefinite responsibilities. Before the matter proceeds further, I think that both from the Honourable the Mover of the amendment and the Honourable Sir Malcolm Hailey we ought to have statements by which the position may be quite cleared up. If that is done, some more power than the Finance Committee now enjoys may be ensured. I have been looking at the proceedings of the last Finance Committee. It does not appear that all the Members that are there have been able to take continuous interest in the matter, and if they had not necessary facilities enabling them to take more interest such facilities ought to be provided. I think it is also up to all the Members who seek election on this Committee to apply themselves to this work with continuous diligence without which good results cannot be achieved. The Government has given us some slight powers, and it is up to us to avail ourselves of them to the fullest extent.

Mr. S. C. Shahani : Sir, I did not refer to the other two functions suggested for the Standing Committee for this reason that they have been already contemplated in the speech of the Honourable the Finance Member on which the creation of this institution rests.

Sir Deva Prasad Sarvadhikary : Within the limits indicated by the Honourable the Finance Member.

Mr. S. C. Shahani : Certainly. I have analysed the speech of the Honourable the Finance Minister on the subject delivered last March, and I find that four functions were then devised for the Standing Committee. The first was to deal with proposals for expenditure before they were sanctioned or before they came on to the Budget. The second was compilation of information as to details which could not profitably be discussed across the floor of this House. The third function was to consider demands in excess of the Budget for the purpose of a supplementary vote; and the fourth was to deal with major schemes of fresh expenditure put forward by the Departments. The only limitation prescribed was that the functions of the Standing Committee were to be purely expenditure functions. The amendment that I have proposed adds two more functions to those enumerated—namely, allotments out of lump sum grants, and retrenchments; and to the addition of these two functions the Honourable the Finance Minister does not object. My amendment therefore is in effect the same as the one suggested by the Finance Minister, and I should be quite content if he moved his motion amended in the manner indicated by him.

The Honourable Sir Malcolm Hailey : Mr. Joshi has found certain difficulties in regard to the procedure of the Standing Finance Committee. He says that difficulty arises because a non-votable post is some times sanctioned by the Secretary of State: we then come before the Standing Finance Committee for sanction to the expenditure on the establishment necessary for that non-votable post. The Standing Committee thinks that the post is unnecessary and consequently the establishment is unnecessary. Sir, in that case I have only to say, if such rare cases do arise, that the Standing Finance Committee, and following that the Assembly, have full powers in this matter. If they think that a post which has been created by the joint decision of the Government of India and the Secretary of State is

[Sir Malcolm Hailey.]

unnecessary, they have undoubtedly full powers to refuse to allow that officer to function by denying him the necessary establishment. I hope that, when we place such cases before them in all their bearings, we may manage to convince them that their objection is wrong; but their powers are undoubtedly full to that extent.

¶ He further suggests that we, being I think somewhat more Machiavellian than we ever imagined ourselves to be, could, if we desired to do so, avoid bringing the question of a particular appointment before the Standing Finance Committee and the House by getting the Secretary of State to sanction a non-votable post. That would remove it from the purview of the Committee and the Assembly. As the House may have noticed, we were rude enough to interject an interrogation to my Honourable friend to ask him if we had ever done so.

Mr. N. M. Joshi : How many posts have been created during the last three years ?

The Honourable Sir Malcolm Hailey : For that purpose ?

Mr. N. M. Joshi : I did not say for that purpose.

The Honourable Sir Malcolm Hailey : But that was the suggestion.

Mr. N. M. Joshi : No, I said it was quite possible for you to do so.

The Honourable Sir Malcolm Hailey : Sir, it is possible for us to do a large number of improper acts which would offend the constitution laid down under the Government of India Act against the proper feeling which should control our relations with the Legislative Assembly, and incidentally also against our conscience. We have no intention whatever of availing ourselves of the device which the Honourable Member suggests for the purpose which he implies, and I hope the House will accept my assurance that it is quite unnecessary to alter the terms of appointment of the Standing Finance Committee in order to provide against a contingency so remote, improbable, if not indeed so impossible.

Mr. N. M. Joshi : That is for the House to say.

The Honourable Sir Malcolm Hailey : I am prepared to leave that matter to the House. If the House thinks that we are genuinely capable of asking the Secretary of State to sanction a votable post merely in order that we may withdraw the whole matter from the purview of the Standing Finance Committee—if the House really thinks that, then we already stand condemned, and the House needs no Standing Finance Committee at all.

Sir Deva Prasad Sarvadhikary further found some difficulty in my mention of the words 'retrenchment and economy'. It is true that we are appointing a Retrenchment Committee. I myself have great hopes from that Committee. I have heard doubts cast on the possibilities of its effecting much good, but I myself entertain no such doubts whatsoever, and I think I shall be able in a few months' time to justify to the House the feelings that I entertain on the subject. There will be no overlapping such as he suggests; the Retrenchment Committee will go with a clean slate into the whole matter and review the whole of our civil administration. The Standing Finance Committee will on its part, while investigating individual cases which come

before it, suggest any retrenchment that occurs to it. It has frequently done so. To those members of the Committee who are present here I may recall the case of Coorg: Coorg asked for fresh expenditure; the Standing Finance Committee said they would consider no fresh expenditure there until the case of Coorg had been examined independently with a view to effect retrenchment and that investigation will be carried out. I need not weary the House with other details, but I can recall further cases in which the Standing Finance Committee has put pressure on the Secretaries who appeared before it to re-examine cases with a view to effect further retrenchment, and their efforts have frequently been successful. But the Committee obviously could not put in the continuous and sustained work on retrenchment that will be necessary on the part of a Committee which is to go *de novo* and with a clean slate into all aspects of our civil administration. Finally, I cannot admit, Sir, that those members of the Standing Finance Committee who have hitherto given so much of their time to the work of the Committee have not been sufficiently diligent in the matter. I hope I did not misunderstand what my friend, Sir Deva Prasad Sarvadhikary, said in that regard. I cannot admit any lack of diligence on their part. I have asked for a larger Committee simply for the reason that we have at times found it difficult to assemble the whole of our members, not for any fault of their own, but because they have been called away for other public work. I thought that, if we had a far larger Committee, we should be able to assemble at any one time at least 6 or 7 Members of the Assembly to whom we could safely look to give us the views of the Assembly. At times we have been unable to assemble more than three or four and I have felt some difficulty in placing before them cases of great financial importance, and asking so small a body to express to us the view which they thought the Assembly would take on the subject. That is the only reason why I have asked for a larger Committee.

Now, Sir, for Mr. Shahani's amendment. He has been good enough to accept the proposal which I put before the House in opening the matter; and I then suggested that, if the House was willing to follow me, I should formally define the functions of the Committee as laid down in the terms of my opening speech. I propose therefore to do so, and shall in doing so adopt as nearly as possible the terms of the amendment that has been put forward by him and his friends. I therefore propose that the functions of the Committee be described as follows:

'The functions of the Committee will be to scrutinise all proposals for new votable expenditure in all Departments of the Government of India, to sanction allotments out of lump sum grants, to suggest retrenchments and economy in expenditure and generally to assist the Finance Department of the Government of India by advising on such cases as may be referred to it by that Department.'

If the Honourable Member will accept that, I shall be glad to recommend that to the House.

Mr. S. C. Shahani: I gladly accept that amendment.

Mr. President: Amendment to the amendment moved:—

'That the words 'new votable' be substituted for the word 'future', and the words 'by advising on such cases as may be referred to it by that Department' be added at the end.'

The question is that that amendment be made.

The motion was adopted.

Mr. President : The original question was :

‘That this Assembly do proceed to the election, in such method as may be approved by the Honourable the President, of a Standing Finance Committee of the Assembly not exceeding fourteen in number to which shall be added one Member of the Assembly to be nominated by the Governor General. The Member so nominated shall be Chairman of the Committee.’

Since which an amendment has been moved :

‘That the following be added to the motion :

‘The functions of the Committee will be, (a) to scrutinise all proposals for new votable expenditure in all Departments of the Government of India ; (b) to sanction allotments out of lump sum grants ; (c) to suggest retrenchments and economy in expenditure, and (d) generally to assist the Finance Department of the Government of India by advising on such cases as may be referred to it by that Department.’

The question is that that amendment be made.

The motion was adopted.

Mr. President : The question is that the following motion, as amended, be accepted :

‘That this Assembly do proceed to the election, in such method as may be approved by the Honourable the President, of a Standing Finance Committee of the Assembly not exceeding fourteen in number to which shall be added one Member of the Assembly to be nominated by the Governor General. The Member so nominated shall be Chairman of the Committee.

The functions of the Committee will be, (a) to scrutinise all proposals for new votable expenditure in all Departments of the Government of India ; (b) to sanction allotments out of lump sum grants ; (c) to suggest retrenchments and economy in expenditure, and (d) generally to assist the Finance Department of the Government of India by advising on such cases as may be referred to it by that Department.’

The motion was adopted.

Mr. President : The procedure laid down under rule 51 for the election of the Committee on Public Accounts will also be adopted in the case of the Standing Finance Committee, and here again nominations will be received at the Secretary’s office up till 4 P. M. on the 14th instant and the elections to the two Committees will be held on the 22nd.

DEMANDS FOR SUPPLEMENTARY GRANTS.

The Honourable Sir Malcolm Hailey (Finance Member) : Sir, I beg to move :

‘(1) That for the amounts against each head of demand shewn in column 2 of the statement entitled ‘Statement comparing the grants voted by the Legislative Assembly for 192-22 with the Revised estimate of voted expenditure for that year’ be substituted the amounts shewn in column 3 of the same statement, the savings indicated in column 5 being transferred to meet excess expenditure shewn in column 4 and that a supplementary grant of Rs. 6,14,05,000 be voted by the Assembly to cover the total excess in ‘Expenditure charged to Revenue’.

(2) That a supplementary grant of Rs. 3,71,77,000 be voted to meet the excess in ‘Expenditure charged to Capital’.

(3) That a supplementary grant of Rs. 7,36,75,000 be voted to meet the excess in ‘Interest-free Advances’ and ‘Loans and Advances bearing Interest’.

The motion, Sir, is to a certain extent of a formal character. The House votes us certain sums under certain definite heads, and without the further

sanction of the House we cannot exceed the expenditure under those heads. Now, in the course of the year certain needs arise for increased expenditure under some of these heads. Where possible, we approach the House to give us supplementary grants in order to increase the sums already voted by it under such heads. So far as the House accedes, we are covered by the action taken by the House; neither the Public Accounts Committee nor the Auditor General is able to object to our expenditure. But there are certain other cases in which it is not possible to ask the House for supplementary grants. Let me take, for instance, such a case as one very large head which appears to-day, namely, excess expenditure on railways. It is not possible to apply to the House for supplementary grants from time to time for that excess. The factors in times of abnormal price are very uncertain. It is impossible to tell from one month to another what the cost of materials will be—such a large item of expenditure as coal for instance—and therefore at no particular moment can we apply to the House for a supplementary grant. Another such item is a considerable sum to which I have already referred, namely, that for the purchase of opium, this is really an advance purchase in order to make up depleted stocks. If our cultivation does not give us the returns we expect, we have to buy opium elsewhere; I need not say of course that we subsequently retail it at considerable profit to the State. It is an ordinary-trade operation. But we could not come to the House with a demand for a supplementary grant before purchasing, because the negotiations in the matter of a purchase of this kind are of a very highly confidential nature.

Then, of course, on the other hand, we have a considerable number of savings. We do not utilise them; we keep as tight a control on the throttle as possible. We retain all these savings for the purpose of setting them off against expenditure small or large that may have occurred during the year; but they are not always available under rule for meeting excesses under other heads; former sanction is needed for the necessary transfer. That, I think, will be immediately obvious to the House. Therefore, at the end of the year when we prepare our revised estimates we take all our excesses and we take all our savings and we come, as we are bound, to the House to ask for its permission to set off the savings against the excesses and then to vote us the necessary sum which remains over and above the balance given by that operation. The motion that I have put before the House is in a somewhat complicated form, but, if the House accepts it, the result will be that which I have described.

Dr. H. S. Gour (Nagpur Division : Non-Muhammadan) : Sir, as the very large sum of 10 crores of rupees is charged to excess on the Railways,—and the explanation is given that this very large sum of Rs. 10 crores in the working of the Railways is due to the higher price of coal, heavier loss by exchange due to the non-realization of the rate of 1s. 8d., and higher cost of running expenses,—a few observations seem necessary. There are railways, post offices and other commercial services in the country, which must be run on commercial lines. (Hear, hear.) It is one of the standing grievances that they are not run on a commercial basis. One of the cardinal principles of running a commercial institution like the railways is that the same amount of work should carry the same amount of pay and that there should be no variation in pay according to the race of the person who performs that work. Now, it is a well-known fact that in the railways there

[Dr. H. S. Gour.]

are two distinct grades of pay for doing the same kind of work, and I understand that in one grade for the same work the incumbents are at times paid four times as much as other people. That, I submit, is not commercially sound, and I should like the Honourable Member for Commerce and Industry to enlighten the House as to what difference it makes in the actual cost of the working of the railways on account of this variation in the different cadres. Adverting, Sir, to one particular Railway, the House will know that the strike on the East Indian Railway has come up before this House once or twice, and nothing will be lost in referring to it once more by way of illustration. The strike on the East Indian Railway continues. To-day I believe is the 34th or 35th day since the commencement of that strike, and I am informed—I speak subject to correction by the Honourable Member for Industries—that the country is losing on an average about 28 to 30 lakhs of rupees per week on account of this strike, and yet this strike may be put an end to within 24 hours if the Government would accept the very reasonable terms proposed by the strikers. What are they? The strikers merely desire that there should be no victimisation of the strike leaders. Secondly, they desire that, while they are prepared to come back to work, there should be no break in the period of their service, though they are prepared to forego

Mr. President : The Honourable Member is exceeding the bounds of order on a supplementary grant.

Dr. H. S. Gour : I am illustrating, Sir, the extremely uneconomic and uncommercial way in which these commercial lines are worked, and I am showing how the Government, by adopting business methods, would be in a position to save large sums of money to the country which at present are lost to it. I was going to show, Sir, that this strike which might have been put an end to weeks ago still continues, because the Government is obdurate and would not yield to the reasonable demands of the strikers, and I am simply taking the House through the terms of the strikers which I think, any sensible man would concede at once and immediately. (*Voices : 'Certainly not, certainly not.'*)

Mr. President : The Honourable Member is entitled incidentally to refer to the strike, showing how losses have occurred in public revenues, but he should not enter into the merits of the question as to how the strike could be settled.

Dr. H. S. Gour : No, Sir. I am simply pointing out that this strike is costing the country a very large sum of money which I estimate at about 28 to 30 lakhs of rupees per week, and this House is entitled to know what action the Government is taking to put an end to that strike, otherwise we shall be saddled with an additional burden of several crores of rupees on account of the strike on the East Indian Railway.

I further demand, Sir, on behalf of this House, information as to how much additional cost the Government incurs on account of the employment of Europeans and Anglo-Indians for the performance of work for which a higher salary is paid to them. (Hear, hear, and for which the Indians are employed on a lower salary. (Hear, hear.) And what objection is there to Indianizing the railways and cheapening the working cost of this commercial service? I submit, Sir, that crores of rupees would be saved to the country, and we should not be burdened with these recurring deficits which

we have in the general Budget and which we find here in the Supplementary Estimates. The railways of India should be a paying proposition, and, before this House sanctions additional cost, it is entitled to know whether you are working the railways on a sound economic basis. I submit, you are not doing so, and, unless this House is satisfied, it will not be prepared to sanction this estimate. This, of course, is a supplementary estimate, and it might be sanctioned, but this is a question which has been exercising the minds of the Members of this House. They find that the post offices and the railways are not worked upon the right principles. There are Honourable Members here, who are head of large commercial firms, and I am perfectly certain that they will bear me out that every person is worthy of his hire, every man who does a particular job must get what is an economic wage. He may not be paid more merely because he happens to say 'I cannot live on these wages; I want two or three times and sometimes four times for doing the same work' which an Indian would do for one quarter or one third of that amount. That, I submit, is a loss to the country and it creates these deficits. I therefore ask, Sir, that these supplementary estimates be withheld till the House is in possession of facts and is given an assurance that these railways will hereafter be worked upon a sound commercial principle.

The Honourable Sir Malcolm Hailey : This is a matter of procedure only, Sir. As the House may well imagine, I am somewhat apprehensive as to what I should do if the whole of this large sum of Rs. 10 crores is withheld by the House on account of any dissatisfaction with the reply which my Honourable friend, Mr. Innes, may give to the House. Not that I have any doubts that he will not be able to satisfy it; but, as a precaution, may I suggest that, in a case of this kind, the usual procedure is for the Honourable Member who desires to ventilate a question of

12 Noon. this nature to propose not the withholding of the whole grant but its reduction by a nominal sum. This I hope he will put as low as possible.

Dr. H. S. Gour : Sir, I move that it be reduced by Rs. 1,000.

Mr. President : The question is,

'That item No. 10, column (4) (in respect of Railways) be reduced by Rs. 1,000.'

Mr. N. M. Joshi (Nominated : Labour Interests) : Sir, I agree with my Honourable friend, Dr. Gour, that the Government, on account of their sense of the preservation of their prestige, is losing a very large part of their revenue from Railways. I think, Sir, that the strike which is causing this great loss, has run to a very long length and the people who are on the strike are at present in such a mood that, if Government will not give undue influence to their sense of prestige or to the prestige of the Company, the strike will be settled in a very short time and the revenues of the public will be safe-guarded. Sir, I feel that Government, without any loss of time, should devise some means by which this strike will be ended, and as one who has gone into the history of this strike very thoroughly and very fully, I assure them that, if they make a move, the strike will be settled within 24 hours.

Mr. President : I cannot allow this debate to go into the merits of the strike. I pointed out to Dr. Gour that he was entitled to refer to the strike as a contributory cause of the deficit but that he was not entitled to go into its merits.

Mr. N. M. Joshi: I do not propose to go into the merits of the strike and its causes, but I want to emphasise the fact that, if Government does not want to lose their revenues, they should at once take steps to settle the strike which can be settled very easily.

Mr. B. S. Kamat (Bombay Central Division : Non-Muhammadan Rural) : Sir, there is one particular point on which I should like to ask the Honourable the Finance Member for some explanation. The total excess is 10 crores and odd. For this total excess we are assigned three causes ; firstly, higher price of coal, secondly, exchange, and thirdly, higher cost of running expenses. The point to which I am drawing the attention of this House is the higher cost of running expenses. I believe that this is quite disproportionate to the total excess which is now demanded. I can understand Rs. 4 crores and 20 lakhs for higher cost of coal. I can understand Rs. 3 crores and 14 lakhs on account of Exchange. If you total up these two items, the balance out of the Rs. 10 crores is something like Rs. 3 crores for higher cost of running expenses owing to rise in prices.

The Honourable Sir Malcolm Hailey : Rs. 2½ crores.

Mr. B. S. Kamat : Now, Sir, those who estimated the Railway Budget of last year knew perfectly well what the level of prices at that time was. We must have a satisfactory explanation whether the prices since last year have gone up so high as to cost the Exchequer Rs. 3 crores or something like that ; or we must inevitably come to the conclusion that the estimate formed at that time for the running cost, based on the rise in prices which was well-known was exceedingly bad. I do not think that prices during one twelve-month have gone up so high as to justify the Railway Department spending something like Rs. 3 crores more. I should be glad to have the comparative ratio of prices—what the prices were last year and by what ratio they have gone up at the present time. Certainly, Sir, the very high running costs which have been shown in this excess, show a tendency to sanction high prices and high running cost, on a very liberal and extravagant scale on the part of the Railway Department, so as not to justify this excess of Rs. 3 crores.

Mr. W. M. Hussanally (Sind : Muhammadan Rural) : Sir, I am most concerned with one of the three items constituting this deficit, and that is the price of coal. We know, Sir, that, for sometime past, coal has been very costly, and the Railways have had to pay a very considerable amount of money for the same. But, Sir, there is any amount of wood fuel in our forests which could easily and more cheaply be used on the Railways, as was done on the North-Western Railway about 25 or 30 years ago, then the Indus Valley State Railway between Kotri and Multan. The forests in Sind used to supply a very good quality of wood fuel for this line of Railway, and it was only about 10 or 15 years ago, when Mr. Finney became Agent of the North-Western Railway, that he discontinued the use of this wood fuel and substituted coal instead, probably for very good reasons at that time, because coal could then be imported much more cheaply. But, since coal cannot now be got as cheaply as in those days, I do not see why preference should not once more be given to the ordinary wood fuel which can be got in abundance and much more cheaply than coal. I would, therefore, recommend this factor to the Railway Board for consideration and adoption.

Dr. Nand Lal (West Punjab : Non-Muhammadan) : Sir, last year we raised our humble voice in this House while criticising the lavish manner in which the Railway Department deals with the public money, and here we find that the Railway Department calls upon us to pay more. And what is the amount? More than Rs. 10 crores—a very appalling figure. My learned friend, Dr. Gour, has been very modest in the character of the amendment which he has moved. If this Railway Department is a commercial concern, then it should be run with reference to economic principles, in accordance with which every banker, every shop keeper, every trader, every man who is in the commercial line, will act. The Railway Department ought to act as these, but we find here a great difference. The Railway Department is not guided by economic principles but by the question of caste and creed. (Hear, hear.) We find that where, without prejudice to efficiency, the same amount of work could be done by cheaper labour, dearer labour is employed to do the same thing. Is there any principle of economy which can support the present demand of the Railway Department at this juncture and in the present financial difficulties of this country, when heavy taxation is being thrown on the heads of the people? I associate myself with the very justifiable remarks of my learned friend, Dr. Gour, that the question of nationality should be ignored, especially in these days when we are in financial difficulties. If the same service could be rendered efficiently by Indians, Indians should be employed in the place of Europeans and Anglo-Indians. This suggestion was offered last year, but we do not find that any improvement has been made in this connection or any effective step has been taken. Therefore, we express with the greatest possible regret, that this demand, which has been made on behalf of the Railway, is unjustifiable, and we do not find ourselves justified in voting for it. So far as the reasons and grounds for the demand are concerned, I may submit that even a *prima facie* examination shows that these reasons seem to be fallacious. My learned friend who spoke only a few minutes back has given sufficient reasons to prove the fallacy of the demand. If coal became dear and there was rise in other prices, even then the total amount, as has been arrived at by my friend, amounts to a little more than about three crores. Why is more than ten crores being demanded? The last reason which has been given in the explanation proves the fallacy of the first reason. Since this point has been dilated upon by one of the Honourable Members, I do not feel inclined to repeat the same argument. But I associate myself with the arguments which have been so ably advanced by my Honourable friend, and I appeal to the official Members that they will give favourable consideration to the views put forward by us. These are not our individual remarks, but they are remarks which ought to be treated as a message from the people of this country. I support the amendment which has been so ably moved, though it is a very modest one. If I were the Mover of the amendment, I would have said that it should be reduced by nine crores.

The Honourable Mr. C. A. Innes (Commerce and Industries Member) : Sir, I desire to associate myself with the remark of Dr. Gour and other Members that Railways should be run strictly on commercial principles. But, Sir, when I heard that remark fell from Dr. Gour, I asked myself whether it was running the Railways strictly on commercial principles to bring up in this House questions which must cause difficulty on the Railway itself. The questions which have been dealt with in the manner indicated by this House must lead to an enormous rise in working expenses. If we are to run the Railways strictly on commercial

[Mr. C. A. Innes.]

principles, let this House beware how far and to what extent it interferes in the management of the Railway. I do not complain for a moment if the House asks for an explanation why increases of cost and of working expenses have occurred. But, when the House makes an attempt to interfere with the settlement of a strike and makes an attempt to associate itself with the demands put forward by political leaders in the strike, then, Sir, I think that I am entitled to offer a protest. I propose to leave that point and to take up, to the best of my ability, the various questions which have been raised in to-day's debate. But I could have wished one thing, namely, that Dr. Gour had informed me beforehand that he proposed to raise this question of the difference in pay between the Anglo-Indians and Indians in order that I might have been in a better position to answer him. I hope the House will remember that it is not long since I took over charge of this enormous Department and that I have also got to struggle with other Departments as well. Before I come to that point, let me refer to some of the other suggestions which have been made.

Dr. Nand Lal and Mr. Hussanally have referred to the enormous increase in the cost of fuel. That takes me back to the very long and complicated question of our coal position in India at the present time. Our coal position is very serious. I merely state a fact when I say that the demand in India has outstripped not only our transport facilities but also our production. Owing to political unrest in the coalfields, mainly strikes, and to other reasons there has been an enormous reduction in our production of coal. In 1919, the production of coal in India in the Bengal and Bihar and Orissa fields was 21 million tons. In the following year, 1920, it dropped by four million tons, and this year it has dropped still further. The result was that, though our Railways take up very nearly half the coal which is produced in India, at the beginning of 1920 we found ourselves in a position of extreme danger. The North-Western Railway in February 1921 was down to 20 days' supply, the Great Indian Peninsula Railway to nine days' supply, the Bombay, Baroda and Central India Railway to six days' supply and so on with a number of Railways. At that time we had indications, warnings that we might have general strikes in the coalfields and general strikes on the Railway. The risks were greater than, consistently with our responsibility to India, we could undertake and therefore we had to make urgent arrangements, though there was a world famine in coal at the time to bring in large supplies of foreign coal. In addition, owing to the reduced production of coal in India the price of Indian coal rose last year by two rupees a ton for Railways, and when you buy 5 or 6 million tons of coal a year, a rise of two rupees a ton means a very heavy increase of cost. That is the reason why we have had this large increase in the price of coal. We could not have made arrangements for wood fuel up to the required amount as rapidly as was necessary, nor is wood fuel, I am informed, capable of standing up to the heavy loads and fast trains which we run now.

I next turn to the rise in working expenses to which Mr. Kamat referred. I myself have spent much time these last few days in tracking out through these pink books the causes of the rise in these working expenses. When you have 36,000 miles of Railway, when you have hundreds and thousands of wagons, thousands of locomotives, and many thousands of trains, it is extremely difficult to prevent working expenses from increasing. We have in the Railways 750,000 employees. They increase on an average by 20,000 a year. Most of these Railways, as the House knows, are run by Companies

and the management is entrusted to the Agents. As far as I understand, all that the Government of India does is to fix the maximum rates of pay. We leave it to the Agents, as they think it necessary in accordance with the market rates, to raise the rates of pay subject to their maxima. That is one reason why the operating expenses have gone up. Another is that our Railways are sick at the present time. During the war we were unable to supply them with all the funds that were required for maintenance. Also, had we been able to supply those funds, the Railways were unable to get materials. The consequence is that our Railways, as I say, are sick, they are more or less a wasting asset. Of the hundreds and thousands of wagons many are now in a bad condition, similarly with locomotives. The result of that is that more locomotives, more wagons have had to go to the shops for repairs. Again, the market rate of workshop labour has gone up. We must pay the market rate, otherwise we cannot get the men, and that accounts for the fact that the cost of repairs is more. More wagons, more locomotives go to the shop, and the actual cost of repair is greater. Then, again, there is another special cause—I do not wish to attach too much importance to it, but it is another reason why the working expenses have gone up. The House will remember that the Acworth Committee, in one of the paragraphs of their Report, made strong animadversions upon the delay in meeting the claims for compensation about which Mr. Subrahmanayam had something to say the other day.

Well, Sir, some of our railways have been doing their best during the past year to meet what I quite realise to be a legitimate grievance. The Great Indian Peninsula, Bombay, Baroda and Central India have had special staffs at work, investigating these complaints, and they have paid very large sums last year (it is certainly the case in the Great Indian Peninsula), to meet these claims for compensation.

Finally, Sir, I must come to Dr. Gour's statement that there is undue discrimination on the part of the Railways between the European and the Anglo-Indian and the Indian. Dr. Gour suggests that a man should get a fair day's wage for a fair day's work and that there is no justification for any discrimination on account of colour. I accept that statement absolutely.

Mr. N. M. Joshi : In practice or in theory?

The Honourable Mr. C. A. Innes : Let me take the practice first. Now, Sir, these Railways have grown up in the last 60 years. The House will recognise that, for many classes of work done on the Railways, it is only in recent years that we have been beginning to get qualified Indians to take up posts of mechanics, skilled artisans, etc. (*A Voice* : 'What about ticket collectors?') Hitherto, we have been mainly dependent upon the Anglo-Indians. Mr. Joshi and Dr. Gour suggest that the rate of pay for the Indian and the Anglo-Indian should be the same. What do they want me to do? Am I to level up the pay of the Indians? (*Voices* : 'No'.)

Dr. H. S. Gour : Employ the cheapest.

The Honourable Mr. C. A. Innes : Am I to dismiss the Anglo-Indian and the European employees? That would be the position that the House would place me in. I do not think there is discrimination to the extent that has been suggested. For mail train guards and drivers, we are compelled for the present to use the educated class of mechanic and we get those educated mechanics at present only from the Anglo-Indian and the European, with one

[Mr. C. A. Innes.]

exception. In Bombay we have Parsis as mail guards. Is there any discrimination between the pay of the Parsi and the Anglo-Indian mail guards? Absolutely none. The pay is according to qualifications. As I have said, that is the position now. What is the remedy to be taken? Surely the remedy is this—that it is up to us to provide proper technical education and training in the Railways in order that we can bring the Indian up to the standard we require for these higher posts. That is a proposition with which I entirely agree and I have already stated to the Council of State that we propose to go into this question with the Central Advisory Council and to consult that body whether we should not set aside a portion of the 150 crores, which we propose, if the House agrees, to devote to capital expenditure on Railways in the next five years, in order to provide proper technical training on the Railways. As far as that goes, I am entirely with the House, but the House must give us time to bring the Indian up to the standard of the Anglo-Indian and the European in this matter of skilled work. When we have brought him to that standard, then I entirely agree that there should be no distinction of pay between European, Anglo-Indian and Indian. I am also prepared to examine this question of scales of pay. I have not had time to do it. We shall then be able to see whether there is anything in the complaint of Dr. Gour, namely, that men who do the same work and are just as well qualified get different scales of pay. But, if we remedy that grievance by levelling pay up, I think the House will realise that the working expenses must go up more. The House must give me time to go into this question. That is all I have got to say. I hope the House will not accept this motion for reduction even by a sum of Rs. 1,000. If they will give us time to go into this question of technical education and also the various other points raised by Dr. Gour, I hope that we shall be able to arrive at arrangements which will satisfy everybody.

Mr. W. M. Hussanally: May I ask whether wood fuel could not be used for slow and goods trains?

Mr. J. Chaudhuri (Chittagong and Rajshahi Divisions: Non-Muhamadan Rural): In reply to the Honourable Mr. Innes and with reference to the question of Indianisation, I would not put the matter on any racial grounds. The reason why we desire Indianisation is that if you employ foreign labour

The Honourable Mr. C. A. Innes: Is Anglo-Indian labour foreign labour?

Mr. J. Chaudhuri: I said 'foreign' and mean 'European' labour. When you have to bring out men from foreign countries, they naturally expect a higher scale of pay and I think it is also reasonable that they should expect a higher scale of pay. For instance, if any of us went out of this country and took employment in other countries, we would not serve for the same wages as we do here. Thus the employment of foreign labour for work that may be efficiently done by Indians interferes with the economical working of commercial ventures like the Railways. We are willing to employ foreign labour or foreign agencies with this strict limitation, namely, that when we have to get experts from other countries, when they are not available in this country, we must be prepared to pay them an adequate scale of pay. But, with regard to duties and work which may be discharged by qualified Indians,

it is both fair and economical that we should employ Indians. As I have already explained, if we get outside men for doing work which can be done quite well by the men in the country, then we have to pay higher wages. It is not, however, the payment of higher wages or higher salary to some individuals that matters much. The real question is that such preferential payments go to raise artificially the standard of wages in this country. People employed in this country naturally claim equal wages for equal work and that goes to raise the cost of working of the railways as also of other commercial concerns. We should follow the same principle that has been followed so very successfully in the Indian-owned cotton mills in Bombay, Ahmedabad and other places. They started with employing foreign managers, foreign engineers, foreign spinning and weaving masters, but gradually they have discarded them and they find that it is more economical to employ the people of the country in such places. So I do not advocate the question of Indianisation on any racial grounds but I do so entirely on economic grounds. The Honourable Mr. Innes says that he will employ Indian labour as largely as possible and level it up to the European standard. But we wish him to economise by employing Indians in the place of Europeans and not merely that a few Indians should be paid on a scale of pay paid to people brought out from other countries. The chief thing is that the level of pay should be the Indian level with better prospects and not any higher level.

In this way, we think, we shall be able to work the commercial departments of the Government—of which the Railways are the most important—more economically.

Then, with regard to the question of Railway Administration, I should say that finance is as much, if not more, a question of policy than one of pounds, shillings and pence; I think that in regard to Railway Administration, it is time that we should adopt the system of settling disputes which obtains in European countries. It is idle to say that the political agitators are stirring up the masses of the country. Such talk would not solve the question. We have to face the fact that the masses and the labour of to-day are not the same as they were, say, five or ten years ago. They are conscious of their importance.

Mr. President: Order, order. The Honourable Member is going far beyond the limits of a discussion on a supplementary demand.

Mr. J. Chaudhuri: I was only saying that the administration of the railways should adopt the same methods as foreign Railways have adopted for settlement of disputes. They should have Conciliation Boards. The adage that a 'stitch in time saves nine' applies to the present big strike. If a stitch had been made in time, I think the present disaster might have been averted. I would mention that at an early stage of the strike I went down to Calcutta, during the recess, when the Prince of Wales was here, and I then made some inquiries regarding the strike.

Mr. President: Order, order. The Honourable Member's visit to Calcutta is not appropriate here.

Mr. J. Chaudhuri: I would just mention that identical trouble arose on the Bengal Nagpur Railway. A man was given a kick or a cuff and the Agent of the Railway at once dismissed the offender. The strike leaders of the East Indian Railway at the time endeavoured to engineer a

[Mr. J. Chaudhuri.]

strike in the Bengal Nagpur Railway. But their endeavours were frustrated without any circumlocution of magisterial and departmental inquiries; the Agent of the Bengal Nagpur Railway, a railway run by a Company largely immune from Government control, at once dismissed the offender and there was an end of the trouble. To lose two crores of rupees in traffic receipts along the East Indian Railway for a kick is indeed, a very costly kick. I, therefore, say that the modern method of Conciliation Boards or Committees of employees and employers as obtains in the jute mills in Bengal, should be adopted and recognised by the Railway administration in this country. That is all I have to say now with regard to the supplementary demand on account of increased traffic charges in respect of State managed Railways.

Mr. R. A. Spence (Bombay : European) : Sir, I think the last speaker has slightly misled the House when he stated that the mills in Bombay had given up European labour. 80 per cent. of the Managers and others in charge of the machinery of those mills are still Europeans. Now the mills are commercial concerns. I am not a mill-owner . . .

Mr. President : Order, order. I have allowed the Honourable Member to correct that statement. He cannot continue on that line.

Mr. S. C. Shahani (Sind Jagirdars and Zamindars : Landholders) : Sir, in supporting the amendment of Dr. Gour I want to point out that the administration of two other Departments is open to the same objection. I have not been able to see any justification for the administration of the Customs Department or of the Telegraphs being so costly. I have listened with great interest to what has been said by the Honourable Member in charge of Industries, and I am very glad to learn from him that he proposes to set apart a portion of the 150 crores that have been sanctioned for the rehabilitation of Railways, for the development of technical education. Technical education is undoubtedly necessary, and to a much larger extent in railways than in the two other Departments to which I just now referred. I should have liked to have had a satisfactory reply from the Honourable Member with regard to the point that was raised by my Honourable friend, Mr. Kamat, who said he did not understand why the increase in the working expenses of railways had amounted last year to three crores of rupees. The difference between the prices ruling now and the prices that ruled about the same time last year do not justify such a great gap between the estimated and the actual figures. Again, Dr. Gour is said to have given no previous intimation in regard to his reference to the necessity for the Indianization of the Railway Services. I think that last year too the Budget discussion on Railways was directed to the consideration of this point, and the Honourable Member in charge should, I think, have anticipated a repetition of that discussion, and should have come prepared to explain the extent to which the Indianization of the administration of Railways has been accomplished. With these remarks I beg to resume my seat.

Lala Girdharilal Agarwala (Agra Division : Non-Muhammadan Rural) : Sir, there is no racial question in the motion made by my learned friend, Dr. Gour. The only question is on what basis is the pay of the employees to be fixed? The pay of a post may be fixed at, say, Rs. 500, and any one who is willing to do the work, be he an European, an Anglo-Indian or an Indian, is welcome to take up the post. May I ask the Honourable

Member in charge of this Department to tell me what the difference in the yearly working costs would be if all railway servants are paid on the Indian basis? And secondly, what has been the cost of the strike? I submit that there is no racial question involved in this. We have to cut our coat according to our cloth, and, if we have not sufficient funds, we cannot employ costly labour. The Government have indicated that they are going to remove this difference in wages and I hope they will do so very soon before we go in a body to the Court to put in a petition of insolvency.

Mr. G. R. Clarke (Director General Posts and Telegraphs): Sir, the Honourable Mr. Shahani has referred to the increased cost of managing the Telegraph Department. By that I suppose he means the Department . . .

Mr. President: The Honourable Member did refer to it, but he was out of order.

Colonel W. D. Waghorn (President Railway Board): Sir, there are one or two matters which have been raised in the course of this debate to which I should like to refer. One was the proposition to use wood fuel. I think it was Sindh which was referred to, where about 15 years ago wood fuel was largely used in the engines. But modern engines, for purposes of economy, are designed with a high steam pressure, and big boilers for hauling heavy loads and high speeds. If we revert to the use of wood fuel, we shall have to alter our locomotives; we could not get the necessary pressure with wood fuel to haul the present heavy loads, and economy would suffer. It would in fact be more costly to go back to wood fuel. There is the further question of the cost of wood fuel now compared to what it used to be.

Certain remarks have also been made as regards the Indianization of our Railway services. I think the Members of this Assembly are fully aware of the fact that we are doing all we can to get Indians into the superior appointments and also into the higher subordinate posts. Our difficulty very often is to get the Indian with the necessary general education. Our drivers must be literate if they are going to be placed in charge of mail and passenger trains. They have to read the instructions and orders carefully and know the signals. We cannot put in the illiterate Indian. Great strides have, however, been made in regard to the increase of Indians in these appointments, and I think if anyone will compare the statements of our staff showing the number of higher appointments held by Indians, he will see that we are moving very steadily in that direction. I would also ask our commercial and industrial Members here to consider whether it would be sound policy to withdraw at once and too rapidly the European or Anglo-Indian highly-qualified technical staff and attempt to replace them by Indians until we have got the right sort of men. We are trying to get them. As the Honourable the Member for Commerce and Industries has explained, we are going to introduce technical colleges and technical schools. Most of the Railways have got these technical schools, night schools, where men are being trained for the subordinate class. We want much more than that, and I hope, when this question comes up before the Advisory Committee, we shall be able to arrive at some conclusion which will really help us. Until these points have been settled, I feel it would be a great mistake to attempt to Indianise too rapidly. We are doing what we can in that direction, and I think I shall be borne out by our industrial Members here in advising that we should go slowly in this matter.

[Colonel W. D. Waghorn.]

Mr. Girdharilal Agarwala asked what would be the difference in the cost of working if we paid the staff at the Indian rates of pay. I cannot tell you that. We should not have the right sort of men working. Your Railways would probably cease to function in many respects. Your repairs and your highly-skilled technical work would close down. We have not got Indians of the right stamp to replace them. We have got to train those men and get the staff. So it is impossible to work out any figure. Then, again, I have been asked what is the loss on account of the strike. I cannot tell that either in the least. We have no idea of the cost of the strike. But I do not think it has got much to do with the present case which is a question of trying to reduce our working costs and that we are endeavouring to do in every possible way.

There is one matter which was referred to, I think, by Mr. Kamat in regard to the high cost of working expenses. Every line has had to pay increased wages against the Budget provision. That is one statement. A great number of the lines have had a portion of the increases in wages to set against their Budget provision and in some cases the position has been accentuated by having to give retrospective effect to such increases and payment of arrears. That is a matter which largely accounts for a considerable portion of the increase. All lines have had to pay more for repairs of all sorts than was expected, repairs to bridges, and stock. I think the Honourable Member also raised the question as to why rates for materials have gone up. Whilst a lot of the materials required were probably budgeted for before the market had reached its maximum, possibly a year ago or more they were unfortunately ordered when the market was at its height and, in the Budget, provision was made at the lower rate. We cannot in such cases say exactly what those prices are going to be when the articles are actually purchased in England. It is unfortunate, but I do not see how we can arrange otherwise. The rise in the cost of workshop labour, as well as materials, plays an important part in this matter.

Again, as the Honourable Mr. Innes has explained already, we have had to meet heavy charges on account of compensation for losses, which is in accordance with the wishes of certain Members at any rate of this Assembly.

I think, Sir, I have explained sufficiently why our working costs have gone up. We are doing our best to keep them down and I trust that this Assembly will show that they have confidence in us by throwing out this proposal to reduce our grant.

Dr. H. S. Gour : Sir, if this Resolution is put to the vote . . .

Mr. President : The Honourable Member has moved the amendment and he has no right of reply.

Dr. H. S. Gour : I just want to explain why I am withdrawing my amendment for the present. The Honourable Colonel Waghorn asked this House to throw out my amendment. If I press it to the vote, let me assure him that it will never be thrown out but passed by a substantial majority. The only reason why I am withdrawing this amendment for the present is that the Honourable Mr. Innes has promised that he will go into this matter if more time is given to him and that is the sole reason why I wish to withdraw this amendment to-day. There has been a good deal of misunderstanding on the

subject of this amendment. What the Members of this House desire is to work the Railways on a purely commercial principle (Hear, hear), which means that they must employ the cheapest agency for doing the work and there should be no racial discrimination between the two classes of people for doing the same kind of work.

Mr. President : The Honourable Member is discussing the merits of the amendment. He said that he was going to give the reasons why he was withdrawing the amendment. He must confine himself to that.

Dr. H. S. Gour : I am giving the reasons. The Honourable Mr. Innes said that he was going to inquire into the matter, and I am only pointing out the lines on which the inquiry should be made.

Mr. President : The Honourable Member has no right of reply under the rule, but, as I chose to extend the courtesy, I expect him to confine himself to the briefest possible explanation of his reasons for withdrawing.

Dr. H. S. Gour : The fact that the Honourable the Member for Commerce and Industries wants time to complete his inquiries is my reason, Sir, for telling him upon what lines his inquiry should proceed.

Mr. President : The Honourable Member is going into the merits and making a speech on the supplementary grant.

Dr. H. S. Gour : I think the Honourable the Member for Commerce and Industries is now sufficiently in possession of the views of this House, and, in that case, I ask for leave to withdraw my amendment.

The amendment* was, by leave of the Assembly, withdrawn.

Mr. T. V. Seshagiri Ayyar (Madras : Nominated Non-Official) : Sir, I rise to move :

‘ That a sum of Rs. 2 lakhs be deducted out of item 49.’

The House will find in column 6 this item is explained and the details given. These are (a) charges in connection with the management of debt, 7 lakhs, (b) pensions, 3½ lakhs, and (c) contribution towards the expenses of the Secretariat of the League of Nations, 5½ lakhs of rupees. Now, as regards the first item, I should like to ask the Honourable the Finance Member what the expenditure means. Is it solely the establishment which costs us 7 lakhs of rupees in connection with the management of debt? I should like to know precisely what the item means.

Now, I come to the amendment that I have given notice of, *viz.*, that there should be a reduction of 2 lakhs of rupees out of the sum of 5½ lakhs of rupees. Sir, in the report which has been issued by the Delegates who attended the League of Nations last year, I find the case for the reduction was put very lucidly ; and if the Honourable the Finance Member will turn to page 67, he will find that the Delegates stated thus :

‘ As regards India, while the temporary scheme puts us very much as we were under the present one, the definite scheme raises our percentage of subscription from 4.9 to 6.6.’

‘ India is placed in Class II, under this last scheme, whereas in the existing scheme she is in class I, but the prejudicial result to her is attained by the fact that the number of units chargeable for Class II is no less than 65 (in Class I, 90) the total number of units being 982, whereas under the existing scheme Class I States pay 25 units out of a total of 510.’

[Mr. T. V. Seshagiri Ayyar.]

'Under the temporary scheme the same division into classes was adopted as in the definite scheme, but the units taken were those of the various classes under the existing scheme.'

'At a conference at the India Office before the Delegation left for Geneva, it was decided that India should oppose the definite scheme as being an unfair one, unless it underwent material amendment, and that the temporary scheme would be preferable.'

'That is what is stated in the Memorandum submitted by the Delegates who attended the conference.'

Now, if the House will turn to page 151 of this Memorandum, it will find a very extraordinary jumble of figures; but these figures show how unfairly India has been treated. In page 151 it will be found:

	Units payable.
'British Empire	90
France	90
India	65
Japan	65'

It was seriously put forward by the persons who demand this large sum from India that India is capable of paying it. Nothing more preposterous was ever suggested. Sir William Meyer rightly pointed out that they had wrongly taken 1913, as the year for basing the calculation on. In that year apparently we had a flourishing finance in India, and from what was available in India in 1913, they argue that India is capable of paying 65 units out of this total of 982 units; whereas Japan, with all its great wealth, is also taxed at 65 units. If 1920 had been taken into account, the League of Nations would have found that there was a deficit of 28 crores, and that we are wholly unable to pay anything like the amount charged against us. Apparently, this has been forgotten altogether, although Sir William Meyer, who has rendered excellent service to this country, when here, and still renders great service in his new sphere of employment, pointed out how very unfair it was to tax India in the way it has been taxed. The House will find that in the Secretariat of the League of Nations there is no proper representation of India. The right Honourable Srinivasa Sastri, in his speech on this subject, pointed out, page 172 of this Memorandum (Appendix IV), that:

'The first grievance relates to our representation in the Secretariat of the League. I will not go into figures. I am anxious to keep on the right side with the Secretariat, and I will not antagonise them by going into any vast array of figures. But I wish to say something. When we are taxed for the expenses of the League, we are ranked very high indeed. We come in the first or the second class. Last time we paid about 4.3 per cent. of the expenses and, under the new scheme, we are told we must go up to about 6 per cent. or a little over. I will mention only one or two things in this connection. Of about 351 Members of the Establishment, 138 are British, 73 are French, 16 are Swiss, and the Americans, who are not yet Members of the League—I do not grudge their share—come in for 13. Where does India stand? She has one solitary representative

(Still she has to pay 5½ lakhs of Rupees for the Secretariat).

'I do not ask for an increase in our representation as any reward for our virtue, but I offer this suggestion to the League with every confidence; that our men, taken from the disciplined ranks of our public service, will be found not inferior to any in the world with whom they may be brought into competition, either for efficiency or for industry or for devotion to their work, and, as a highly evolved system of administration, which has justly received the encomiums of competent critics throughout the world, I can assure the Secretariat that they will receive much valuable assistance from the Members of our Services, if only they will be good enough to take them in.'

So the House will note that among this large number of representatives, there is only one Indian Member; still we are asked to pay 5½ lakhs for the Secretariat Establishment of the League of Nations. The whole matter was very neatly put by Sir William Meyer. If you turn to Annexure 3 of the same Appendix, you will find that this is what Sir William Meyer said :

'It brings into account population as a separate factor, although a State whose population is poor but large gets population taken into account in the consideration of its revenues.'

'The population and revenue figures of the colonial possessions of Great Britain, France, Belgium and Holland have not been taken into account, and yet these obtained the benefit of the League's peace, and so on.'

'The factor of 'capacity to pay' is a most difficult one to arrive at. In every country there are disputes as to the capacity to pay between various categories of taxpayers, and this is not a question which can be solved by the consideration of revenue figures going back to the year 1913, when, moreover, the limits of certain States were materially different from what they are now.'

That, I suggest, puts the case for India very clearly. The question I ask the Honourable the Law Member is this. Following on the speech of the Delegates, following on the Memorandum of the Delegates, have the Government made any representations to the League of Nations? Have they received any reply regarding the representations, because, if they have not made any representations, and have not got any reply, they ought not to ask this House to sanction this amount? As pointed out by Sir William Meyer, the proper proportion payable by India should be 4·8 and not 6·6, and it is therefore I ask that the sum of 2 lakhs should be taken out. That will give proper proportion according to Sir William Meyer. Before this House votes for this sum, we must ask Government to explain what they have done.

The Honourable Sir Malcolm Hailey: Mr. Seshagiri Ayyar has referred to two items; first, to the charges in connection with the management of debt, which amount to 7 lakhs. He asked me to inform him whether this represents the cost of an establishment maintained in England for managing our sterling debt. It represents the cost of managing the whole of our sterling debt in England, amounting altogether to two hundred and six millions of pounds; the cost works out to one-thirtieth per cent. Our public debt is managed for us by the Bank of England, and it is the Bank which keeps up the establishment for that purpose. Out here our debt is managed for us by the Public Debt Office, under charge of the Imperial Bank, and we incur charges of a similar nature on it. I think the Honourable Member, in view of the explanation which I have given him, will be satisfied that the charge of 7 lakhs for the management of 206 millions of debt is by no means excessive.

As regards the second point, Sir, I do not profess to be myself well versed in matters relating to the League of Nations. The expert on that question is my Honourable friend, Dr. Sapru, and I have no doubt that he will satisfy the House on the question.

But with regard to the definite proposal that we should cut down the sum that has been placed in the Budget for the purpose, I would ask the House to remember where we stand. This amount has been assessed by the League of Nations after careful consideration of the protests of Sir William Meyer, and my view is that, since we belong to this body, we must observe the verdict of the majority. My Honourable friend informs me that 'we

[Sir Malcolm Hailey.]

are waiting for some further advice from our representative the Right Honourable Mr. Sastri, we shall then attempt to tackle the question to the best of our ability. At the present moment I do not think that, in view of the nature of the case and the manner in which this decision has been arrived at, namely, by the majority vote of the League of Nations, we could definitely refuse to pay the amount, because, if I am not mistaken, that would be equivalent to saying that we would dissociate ourselves from the decision of the League. I put it to the House, that the proper course to adopt would be to give to the Committee of the League of Nations an opportunity of reconsidering the basis of the assessment.

The Honourable Dr. T. B. Saprū (Law Member) : With regard to one or two questions which have been raised by my Honourable friend opposite, I would like to make a few observations. It was, I believe, towards the end of January that we received the report of our delegates to the League of Nations, and the matter has since been engaging the attention of the Government ; and, if we have not been able during the last one month and a half to take any steps with regard to the representation of India in the Secretariat of the League of Nations, it is because I thought that we would be in a much stronger position to do so when we should have had an opportunity of consulting with one of our delegates who is, as the House knows, about to return to this country. The question of representation of Indians on the staff of the League of Nations was very vigorously put forward before the League by Sir William Meyer and Mr. Sastri and I would only venture to read a portion from the report which has been submitted to this Government. I will read paragraph 77, which sums up the whole position very clearly :

‘ Discussion then took place on a Resolution tabled by Sir William Meyer, in regard to the enormous preponderance in the Secretariat and the Labour Office of representatives of Great Britain, France, and Switzerland, and the inadequate, or absolute lack of representation of the various other countries, India, for example, having only one clerk in the Secretariat and no representation at all in the Labour Office. The text of this Resolution, which was based on tables compiled from information furnished by the Secretariat itself, is printed in Appendix IV. (Annexure 2.)

It was not expected that the Resolution would be carried as put forward, since it prescribed maximum percentages for each country but it was very desirable to ventilate the question as a means of putting pressure on the Secretariat and the Labour Office. The Resolution called forth speeches from Sir Eric Drummond and Mr. Albert Thomas, the head of the Labour Office, who had attended, in which they held that it was impossible to have a rigid application of the principle on national representation, that it was inevitable that as English and French were the official languages, those two countries should have a specially large representation, and that the Swiss representation was, in the interests of economy, being largely applied to minor posts, which it would cost more to fill up from abroad.

After some discussion Sir George Perley proposed the following as a substitute for Sir William Meyer's Resolution :

That it is extremely desirable, especially in the higher administrative positions, that the Secretariat of the League and of the International Labour Office should, as far as possible, be recruited in fair proportions from the various States Members of the League, and that this principle should be carefully borne in mind in filling future vacancies, always having regard to the requirements of efficiency.

This Resolution was accepted by Sir William Meyer, and carried unanimously.

It may be mentioned that Mr. Thomas has already acted on it by asking Sir Louis Kershaw to advise in the selection of an Indian for a fairly important post in the Labour Office.’

So far as representation in the office of the Secretariat is concerned, I can assure my Honourable friend and the House that no one is more keen than I

that there should be fair and adequate representation of India on the Secretariat and we shall take steps in that behalf at the earliest possible opportunity. But I certainly think that it would strengthen our hands if we could first have a conference with Mr. Sastri and understand from him the situation there before we make any representation on that point.

Mr. T. V. Seshagiri Ayyar : After hearing what has been said by the two Members of the Government, that, if we do not vote this item, it would mean that we want to dissociate ourselves from the League of Nations, I shall withdraw my amendment. But I must say this, I cannot accept the explanation that they are waiting for the return of the Right Honourable Srinivasa Sastri to make a representation. Before asking us to vote on this, I think the Government had ample opportunities for making a move in the matter by approaching the League of Nations. However, as I said, if they think that by cutting down this demand we are likely to vote for secession from the League of Nations, I shall withdraw my amendment.

The amendment* was, by leave of the Assembly, withdrawn.

Mr. K. C. Neogy (Dacca Division : Non-Muhammadan Rural): Sir, I beg to move :

‘That the demand for Rs. 60,97,000 under the head Expenditure in England (No. 49) be reduced by Rs. 1,000.’

My intention in bringing forward this amendment is to draw the attention of this House to a cold weather visit that we have received from a Secretary of the India Office, and which visit has cost India Rs. 17,000. If Honourable Members will turn to page 1945 of the current proceedings of this House, they will find that I asked a question on this subject, and, in reply, it was stated that Sir Louis Kershaw, Secretary of Industries and Overseas Department, India Office, London, was sent out to India on a deputation. The object of his visit was stated to be to obtain a first-hand knowledge of, and to consult the Government of India and Provincial Governments concerning, the many new problems now engaging the attention of the Central and Provincial Governments in India in the subjects which he deals with in the India Office. Then we were told that the expenditure to be incurred in India on account of his subsistence allowance, travelling allowance, a stenographer and a peon has been estimated at Rs. 12,500. That to be incurred in England on account of passage and outfit allowance is about £300. So the total comes up to about Rs. 17,000.

Now, Sir, it seems that this item was never placed before the Standing Finance Committee, nor was any supplementary grant asked for in this House before now, although it was well known, even in September last, that Sir Louis Kershaw contemplated visiting this country during this cold weather.

Mr. President : Was this amount included in the original Budget ?

The Honourable Sir Malcolm Hailey : No, Sir, it is included in the present supplementary estimate.

Mr. K. C. Neogy : Sir Louis Kershaw, as we all know, is an experienced member of the Indian Civil Service. He has held several important appointments in the different provinces and also was in the Secretariat of the Government of India for some time. So, it cannot even be said that he was altogether a stranger to India or to Indian conditions and that his visit might be supported on the ground that a Secretary of the India Office, in order to enable him to discharge his important functions, must have some

[Mr. K. C. Neogy.]

knowledge of India and the Government of India Secretariat. I find that most of the subjects with which Sir Louis Kershaw deals in the India office, are covered by the Departments over which Mr. Chatterjee, as Secretary to the Government of India presides; and, as Mr. Chatterjee was on a visit to England not long ago, he might have been in a position to supply Sir Louis Kershaw with all the information that he might need. However, Sir, the principal question which I want to raise in this connection is as to whether this House and the Standing Finance Committee are or are not to be consulted in regard to these matters before we are committed to an expenditure of this kind. I bring forward this amendment also for the purpose of making it clear that this must not be taken as a precedent for further cold-weather visits of this nature. (Hear, hear.)

Mr. A. C. Chatterjee (Industries Secretary): Sir, I hope that the explanation that I shall give will satisfy both my Honourable friend, Mr. Neogy, and the House.

I must express our regret at the outset that the matter had not been placed before the Standing Finance Committee, but the fault was not entirely ours. The invitation to Sir Louis Kershaw had been extended by the Government of India some time before the supplementary Budgets were taken in September last, but we did not know until about the end of August what the expenditure that would be chargeable to the Indian revenues would be. As soon as we received intimation from the Secretary of State about the cost of the visit, we inquired from the Secretary of State whether the cost would be met from his own Budget provision, and it was not until the beginning of November last that we received the answer of the Secretary of State to this question. Sir Louis Kershaw was to arrive in India about the end of November, and it was then practically impossible, as a matter of fact it would have been quite impracticable, to obtain the previous approval of the Standing Finance Committee to his visit to India. I quite agree with Mr. Neogy that on such occasions it is desirable for us to consult both the Standing Finance Committee and, where possible, the Legislative Assembly; and, as I have explained, this was not done in the present instance not through any desire to do things without their consent but simply on account of the force of circumstances. Mr. Neogy has already anticipated me in the explanation of the merits of Sir Louis Kershaw's visit. He has stated that it is desirable that officers of the India Office should have first-hand knowledge of Indian conditions.

Mr. K. C. Neogy: No, I never said that.

Dr. H. S. Gour: He never said that.

Mr. A. C. Chatterjee: Well, at any rate, I think I may quote the views of Mr. Montagu whose opinion in this matter, I know, carries weight with the Assembly. Mr. Montagu and Lord Chelmsford in their Report on Constitutional Reforms said:

'It is necessary that Parliament should be satisfied, and expedient that the Government of India should be satisfied, that the decisions conveyed in orders from the India Office have been arrived at after consideration of the advice of those whose knowledge of India is greater than that of the Secretary of State. But such advice needs to be informed with recent acquaintance with a changing India.'

Well, Sir Louis Kershaw had been in the Indian Civil Service for many years and was one of the Secretaries to the Government of India; but he

left India about 7 years ago and his knowledge of Indian conditions was, if I may say so, certainly not up-to-date. (Laughter.) At the same time, he is practically the only high official in the India Office who has been recruited from the Indian Services and it was, therefore, considered desirable that he should be asked to bring his knowledge of India up to date. We thought conditions in India had changed so considerably during the last three or four years (*A Voice*: 'Never') that it was most desirable that he should know what the Legislative Assembly or the Council of State or the Legislative Councils in the provinces were thinking and saying on different subjects and also what was the general trend of public opinion on different subjects. I can assure the House that the visit of Sir Louis Kershaw, who went to all the provinces, watched debates in the Legislative Assembly, in the Council of State as well as in the provincial Legislative Councils, and consulted both officials and non-officials on current problems with which he deals at the India Office, has been of the greatest advantage to him, and in that way to the Government of India; and I am sure, my Honourable friend, Mr. Neogy, will agree with me that the money has been well spent. (Cries of 'No, no, not at all'.)

I hope that the explanation I have given will satisfy the House.

Mr. N. M. Samarth: May I ask, Sir, whether Sir Louis Kershaw, in the course of his inquiries in this country, inquired what the trend of Indian non-official opinion was as to the continuance of the India Council. (Laughter.) If he had, he would have found that there is a large section of thoughtful Indian opinion which desires that the India Council should be at once abolished and should no longer be continued. (Hear, hear.) If he did not come with that intention, then I suppose he missed one of the main chances of making his visit useful to us by consulting the real Indian opinion on that important point. I wish to know from the Honourable the Secretary in the Industries Department whether that was one of the subjects upon which he collected information.

Sir Frank Carter (Bengal, European): I would like to ask Mr. Chatterjee whether there was any report published of what Sir Louis Kershaw has done in this country. I think that the practice of these fellows coming out from Home at the expense of India (Laughter) to inspect us in India ought not to be continued. A man who has retired from India for seven years ought not to be a Secretary in the India Office; he does not know anything about India. I suggest that the Secretary to the India Office should be changed every year and that a man from India should be appointed (Hear, hear) every year, when that man has finished his turn, he should return to India.

Dr. H. S. Gour: Sir, my Honourable friend, Mr. Chatterjee, who has apologised for Sir Louis Kershaw's visit to this country, has not informed us as to what Members of the Legislature Sir Louis Kershaw saw for the purpose of acquainting himself with changing India. So far as I am aware, no non-official Member of this House or of our Party (Laughter) was ever seen by Sir Louis Kershaw.

The second question that I would ask the Honourable Member to reply to is, if Sir Louis Kershaw's visit was contemplated as far back as August last, and if the Secretary of State did not reply as to the liability of the Government of India till November, why did not the Government of India protest, on the ground of inordinate delay, against saddling the Indian exchequer with the cost of the visit on the ground that the Legislative Assembly had passed the Supplementary Budget in September, and that an awful doom was in.

[Dr. H. S. Gour.]

store for the Legislative Assembly in the coming year? I think if the situation had been explained to the Right Honourable the Secretary of State, we might have been saved this extra expenditure. I entirely agree with my Honourable friend, Sir Frank Carter, that we do not desire back numbers to come back to this country for the purpose of reviving their knowledge and making a closer acquaintance with Indian conditions. If it is necessary that the Secretary in the India Office should be conversant with the latest Indian opinion, a man from India, possessing that knowledge, should be appointed as Secretary. But to appoint a retired Civilian and then afterwards to send him out to India at the cost of India for the purpose of obtaining information during a hurried visit paid to the provinces, is, I submit, not the best means of imparting first hand information to those responsible for the management of the India Office.

Lastly, Sir, as my friend, Mr. Samarth, has pointed out, if Sir Louis Kershaw came to this country to collect information on the subject of the India Office itself, he would have found a singular unanimity of opinion not only on the part of non-official Members of the Indian Legislature, but also on the part of the responsible representatives of public opinion outside the House, that there is a strong body of opinion, a strong consensus of opinion, if I may be permitted to use that expression, both against the continuance of the India Council and the Members of Council at the India Office. India shall not have spent this large sum of Rs. 17,000 in vain if this expression of opinion is conveyed to the India Office in the name of the people of India, which will probably save a large sum of money,—much larger than we are called upon to vote at this stage.

Mr. K. C. Neogy: Sir, I do not grudge Sir Louis Kershaw the great knowledge which he must have imbibed from his presence in the Visitors' Gallery of this House, but I would have been happier if he had acquired that knowledge at his own cost. However, Sir, I do not propose to press my amendment.

The amendment* was, by leave of the Assembly, withdrawn.

Mr. President: The question is :

'(1) That for the amounts against each head of demand shewn in column 2 of the statement entitled 'Statement comparing the grants voted by the Legislative Assembly for 1921-22 with the Revised estimate of voted expenditure for that year' be substituted the amounts shewn in column (3) of the same statement, the savings indicated in column 5 being transferred to meet excess expenditure shewn in column 4 and that a supplementary grant of Rs. 16,14,08,000 be voted by the Assembly to cover the total excess in 'Expenditure charged to Revenue'.

The motion was adopted.

Mr. President: The question is :

'(2) That a supplementary grant of Rs. 3,71,77,000 be voted to meet the excess in 'Expenditure charged to Capital'.

The motion was adopted.

Mr. President: The question is :

'(3) That a supplementary grant of Rs. 7,36,75,000 be voted to meet, excess in 'Interest free Advances' and 'Loans and Advances bearing Interest'.

The motion was adopted.

The Assembly then adjourned till Eleven of the Clock on Tuesday, the 14th March, 1922.